

**THE PRESIDENCY:**

**REPUBLIC OF SOUTH AFRICA**

Private Bag X1000, Pretoria, 0001, Tel: 012 300 5200 / Private Bag X 1000, Cape Town, 8000, Tel: 021 464 2100

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.:** **1756. .**

**Ms B M van Minnen (DA) to ask the Minister in The Presidency:**

Whether, in view of the Auditor-General not enjoying unfettered access to the financial, procurement and performance activities of the State Security Agency (SSA), resulting in the Auditor-General being forced to automatically provide a qualified audit for the SSA each year, with the SSA now having been moved into the Office of the President, and given the recent allegations regarding the misuse of public funds and the alleged involvement of the SSA with party political funding irregularities, about which the President of the Republic, Mr M C Ramaphosa, denies any knowledge and that there are questions about the fact that the Office of the Auditor-General of South Africa did not pick up on these irregularities, what does he intend to do about improving the access of the Auditor-General to the financial records of the SSA so as to ensure proper financial oversight? NW2085E

**REPLY:**

The current audit process is that the Office of the Auditor-General has access to Financial, Procurement and Performance matters. The only part of the financial information that the office of the Auditor-General does not have access to is **source information** that relates to the identity of sources and their specimen signatures. However, arrangements are in place to assure the office of the Auditor-General of controls in such cases in terms of the Audit Strategy. This implies Internal Audit will verify source-related financial and performance information. In the Audit Strategy for the financial year end 2021-2022, the following areas are included in the Internal Audit Plan that the Office of the Auditor General will rely on:-

1. Operational expenditure and any other financial-statement line item that affects the covert expenditure e.g. Accounts Payable.
2. Audit of performance information (Covert operations and others as agreed).

The **automatic audit qualification** relates to the **high inherent risk** due to the nature of the environment. This means that the level of assurance that can be given by the audit is lower than in the case of other audits due to the significant inherent risk relating to the sensitivity of the environment. The combined assurance between the Office of the Auditor-General and Internal Audit is aimed at improving the access of the Office of the Auditor-General to the financial records of the SSA so as to ensure proper financial oversight.

In terms of section 3(a) of the Intelligence Services Oversight Act, 1994 (Act 40 of 1994) the Joint Standing Committee on Intelligence (JSCI) receives reports from the Auditor-General  (AGSA) on the affairs of the State Security Agency and reports thereon to Parliament.  After obtaining such report from the AGSA, the JSCI considers the financial statements of the State Security Agency, any audit reports issued on those statements and any reports issued by the AGSA on the affairs of the State Security Agency. In order to perform its functions, the JSCI may in accordance with sections 3(i) – (l) of the Intelligence Services Oversight Act, 1994 (Act 40 of 1994):

1. request the AGSA to explain any aspect of a report;
2. deliberate upon, hold hearings, subpoena witnesses and make recommendations including on the administration and financial expenditure of the State Security Agency;
3. consult with the Minister regarding the performance of the functions of the JSCI in terms of the above mentioned Act; and
4. consider and report on the appropriation of revenue or moneys for the functions of the State Security Agency.

Accordingly, the ambit of the oversight of the AGSA over the State Security Agency, and whether this is sufficient, is the subject of discussion between the Minister and the JSCI.

Yours Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Mr Mondli Gungubele, MP,**

Minister in The Presidency

Date: